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**ARCHER, CATHRO**  
AND ASSOCIATES LTD.  
CONSULTING GEOLOGICAL ENGINEERS

Brock 000147

Whitehorse, Yukon (403) 667-4415

1016 - 510 West Hastings Street Vancouver, B.C. V6B 1L8 (604) 688-2568

Post Office Box 4127  
Whitehorse, Yukon  
Y1A 3S9

Progress Report  
Freegold Project  
May 22, 1981

General

An eight man tent camp was established at the No. 4 Adit site on May 13 to 18. The Freegold road was sufficiently snow clear to enable camp mobilization to be completed using a four wheel drive pick-up truck and several days subsequent work by the Freegold crew on bridges at MP 16 and 30 allows vehicle traffic up to five tons in size. Road improvement and bridge re-construction by the Territorial Government is scheduled to start about June 1.

Peter Gardner and Ben Polzer of Phoenix Geophysics Limited arrived in Whitehorse on May 19 and were taken to the camp on May 20th. The full summer Freegold crew consisting of university students Jesse Duke and Dave Charters (supervised by Mike Phillips) has been temporarily enlarged with students Jeff Williams and Murrell Trudzik while the geophysical work is in progress.

### Further Work

Amity Drilling Ltd. will begin mobilizing its camp and drill equipment to the property on May 24 and should start drilling during the first week of June. A total of eight NQ size 400 footholes are planned, all to be drilled at -50°. The first four holes will explore geochemical extensions of zones drilled in 1975 and the remaining holes will test geophysical anomalies located by the survey in progress.

Hole 81-1 will be collared at 4215 North and 9960 East and will drill S47° E (grid east) to explore the eastern margin of a silver bearing breccia (partially cut in Hole R75-23) as defined by a 1980 coincident silver and lead geochemical anomaly. Core from this hole will be analyzed for ounces-per-ton silver by fire assay and parts-per-billion (ppb) gold by neutron activation. Holes 81-2 and 81-3 will be collared at 4210 N and 8230 E and will be drilled N47°W (grid west) and S47°E (grid east) respectively to cross section a 1980 coincident gold-arsenic and bismuth geochemical anomaly some 200 feet south (grid south) of 1975 holes R75-20 and R75-22. Hole 81-4 will be collared at 3650 N and 8900 E and drilled at N47°W (grid west) to explore a coincident 1980 gold and bismuth geochemical anomaly. Holes 2 to 4 will be assayed geochemically for silver in parts-per-million (ppm) and gold in ppb by neutron activation. All core will be halved with a core splitter at approximately five foot intervals and crushed and rehalved with a Jones splitter prior to shipment. Both core and core sample splits will be stored at the property.

A D7E bulldozer has been contracted from J-Nor Enterprises from June 1 to July 15. The bulldozer will prepare drillsites and then explore targets on the Guder Option and the recently staked Seymour 1-44 claims. Work at the Guder Option will concentrate on the Liberty and Cabin zones (see May 4 - Summary Report) and work on the Seymour claims will initially consist of cleaning out and resampling old trenches on a copper-silver porphyry target.

Respectfully submitted,

ARCHER, CATHRO & ASSOCIATES LIMITED,

A.R. Archer